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LEADERSHIP IN FACILITIES MANAGEMENT

Workplace Law / ThinkFM research programme 2013

Summary report

Published in
association with

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During the first half of 2013, Workplace Law conducted its second annual research study into the value that great facilities management (FM) delivers, as part of our ongoing investigation into how those working in the FM sector today can go beyond compliance and deliver real business value to their clients and stakeholders.

To celebrate World FM Day on 27 June 2013, we are publishing this short summary report to share the highlights of this research study with you. It focuses on key issues in behavioural safety, sustainable FM, and talent management. A full report of our findings will be issued in July.

My thanks go to the 30 people who gave us their perspective on the way great FM delivers value through the focus groups we ran earlier this year. I would also like to thank the 242 respondents who completed our online survey between April and June, helping us to confirm some of the issues

highlighted in the focus groups and track some of the trends that our 2012 research first identified. Along with the output from last year's study, we are building a bank of information about the perspectives and current performance of the profession upon which future surveys can build.

I hope you find this report useful. If you would like to find out how Workplace Law can help your organisation improve its FM performance, or would like to discuss any of our research findings, please do get in touch.

Regards

David Sharp
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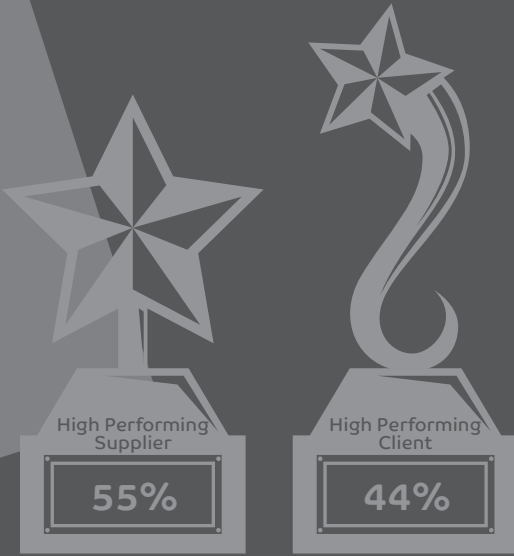
Respondents to the survey were split between those who **supplied FM services**, and those who **bought** them, and in which sector.

A key objective of the research was to test whether the priority issues facing facilities managers matched the priorities of those running facilities services companies, in terms of how value is delivered through FM. The responses to the survey were therefore analysed comparing the 'client' perspective with that of the 'service provider' or 'supplier'.

In terms of the 242 respondents from both parties, we achieved an approximately 60/40 split; where 59% of respondents classed themselves as FM services clients, while 41% were FM suppliers.

We also found out how they were split as regards the size of the organisation they worked for. Only 9% worked for companies employing fewer than 20 staff, whilst 28% were part of organisations that had more than 5,000 employees.

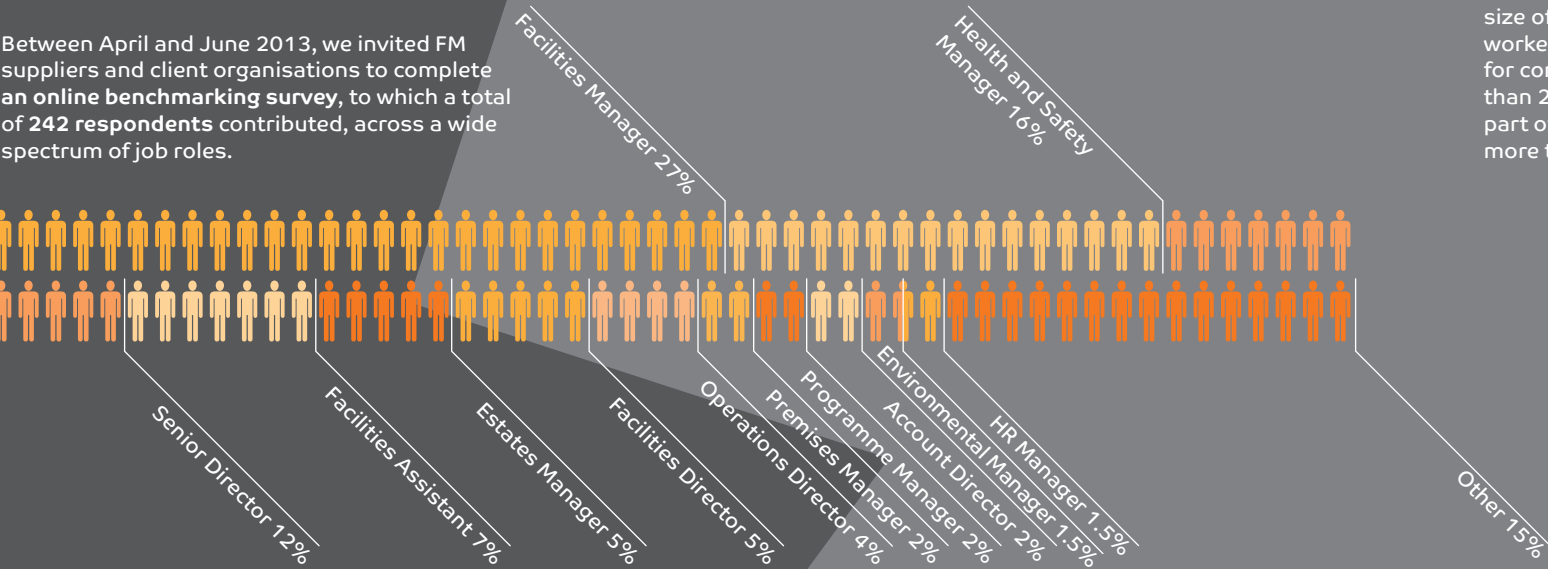
'FM' has always been a catch-all term for 'things that need to be done to run a building'. Here are the most popular things that FM covers from our respondents' experiences.



Finally, we wanted to know whether the organisations we were surveying considered themselves a high performer in their sector – for example, growing faster than the industry average, delivering above average returns to shareholders, winning industry awards and so on.

55% of suppliers, and 44% of clients, considered themselves high performers.

Between April and June 2013, we invited FM suppliers and client organisations to complete an **online benchmarking survey**, to which a total of **242 respondents** contributed, across a wide spectrum of job roles.



It was also the case that, both across the UK and internationally, most respondents worked across multiple sites.

Leadership in FM



Generally speaking, both clients and suppliers believe that the FM profession still has some way to go before it achieves the recognition given to other professions.

69% of client organisations still feel that FM is seen in a supporting, rather than a strategic role, while 76% feel that FM will only achieve a higher ranking within the organisation's hierarchy when it finds new ways to deliver value.

A general perception that it is hard to quantify the value of FM services still exists – 64% agreed with the statement, while a further 31% agreed strongly with it. Over a third of client Boards still do not understand the contribution good FM can make to the success of their organisations. This understanding will only improve when clients and suppliers stop reporting against activity measures and instead translate value delivered into cost savings, improved reputation or goodwill, which resonate with the Board.

There was strong agreement across client organisations that finding and keeping good people is still the key to success in FM, and a top people management issue that they face today. Clients need support in finding and keeping talented FM people, since FM is not their core business and often undervalued as a profession.

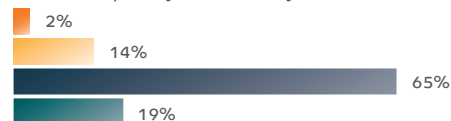
“Over a third of client Boards still do not understand the contribution good FM can make to the success of their organisations.”

Fig. 1 To what extent do you agree with the following statements?

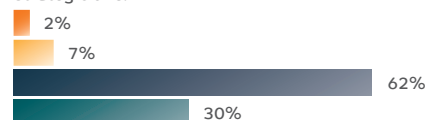


Suppliers N=74

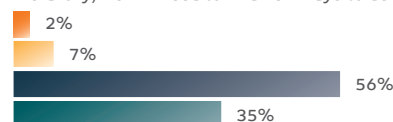
While it's easy to quantify the costs of FM services, it's hard to quantify the value they deliver.



FM is seen as a support function rather than a strategic one.



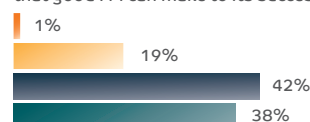
If FM is to achieve its rightful place in an organisation's hierarchy, we will need to find new ways to deliver value.



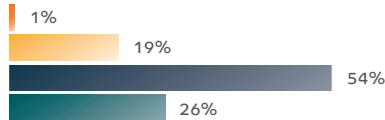
We need to professionalise FM and attract more talent into the profession if FM is to continue as a separate discipline.



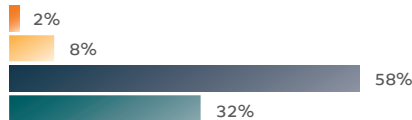
The Board of my organisation understands the contribution that good FM can make to its success.



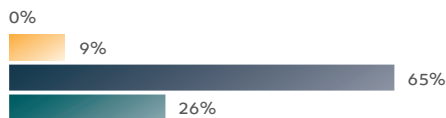
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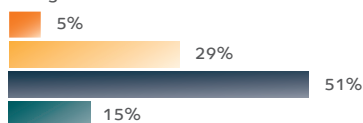
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The Board of my organisation understands the contribution that good FM can make to its success.



Delivering value

Both clients and suppliers agree that delivering a consistent service across multiple sites/countries is the most important factor that demonstrates value in FM performance. Continuously improving service levels was ranked as the second key factor by both parties. This is a complete reversal of places for these two rankings from the 2012 survey, perhaps recognising that the ability to deliver consistency across multiple sites or countries is challenging, given the localised nature of FM service delivery.

Ranking	FM clients	FM suppliers
1	Delivering a consistent service across multiple sites / countries	Delivering a consistent service across multiple sites / countries
2	Continuously improving service	Continuously improving service
3	Achieving cost savings	Achieving cost savings
4	Taking a partnership approach with suppliers	Taking a partnership approach with suppliers
5	Attracting and keeping high quality staff	Meeting locally agreed service levels
6	Meeting locally agreed service levels	Attracting and keeping high quality staff
7	Meeting globally agreed standards	Meeting globally agreed standards
8	Benchmarking performance against similar companies	Benchmarking performance against similar companies
9	Managing performance through CAFM systems	Managing performance through CAFM systems

Fig. 2 To what extent do you agree with the following statements?



Clients N=118

“Interestingly, while in 2012, suppliers ranked attracting and keeping staff as the third key factor, this has dropped down to number six on their list this year, perhaps reflecting a shift in perception towards a career in FM.”

Fig. 3 What do you believe is important to delivering value through a good FM service?

(1 is most important and 9 is least important.)

Talent in FM



Fig. 4 To what extent do you agree with the following statement?

'In my organisation, we have a strong leadership and development plan that identifies and manages talent throughout the employment lifecycle.'



Suppliers N=73

Clients N=108

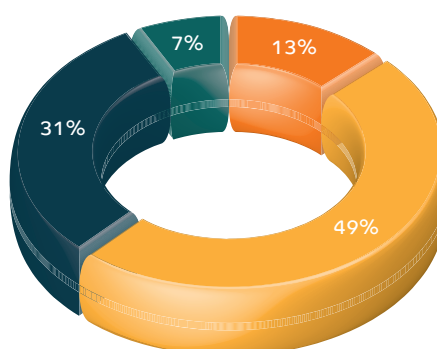
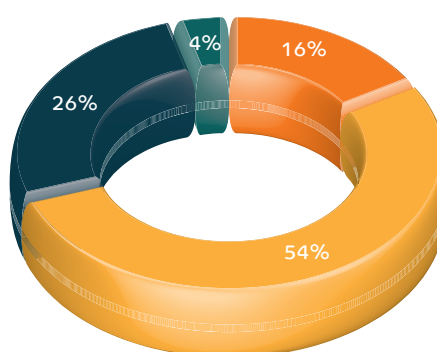
“ Around half of all clients agree that their organisation has strong leadership and a good approach to talent management. ”

Headlines

- 48% of client FMs use competency frameworks (58% of suppliers).
- 59% of clients who consider themselves leaders use competency frameworks (76% of suppliers).
- The biggest barrier to the efficient and practical use of competency frameworks is a lack of understanding or knowledge of how to use them (57% of clients).
- 73% of clients recruit according to the BIFM's qualifications framework or a similar framework.

Making people a priority

Clients and suppliers agree that senior management in their organisations have a vital role to play in creating a learning culture. Unfortunately, this appears to be a challenge for some.



Over half (62%) of all clients agree that their organisation has strong leadership and a good approach to talent management. The figure was slightly higher at 70% for the FM suppliers.

However, 38% of clients disagreed or disagreed strongly with the statement, showing a lack of consistency across the FM sector in its approach to HR. Although slightly lower than the client figure, a third of suppliers still did not feel that they had strong leadership and development plans that managed talent within their organisations.

Among the high performing clients, over 80% felt that they had strong leadership and a development plan to identifying and managing talent within their organisation. This figure was similarly high among the high performing suppliers (83%).

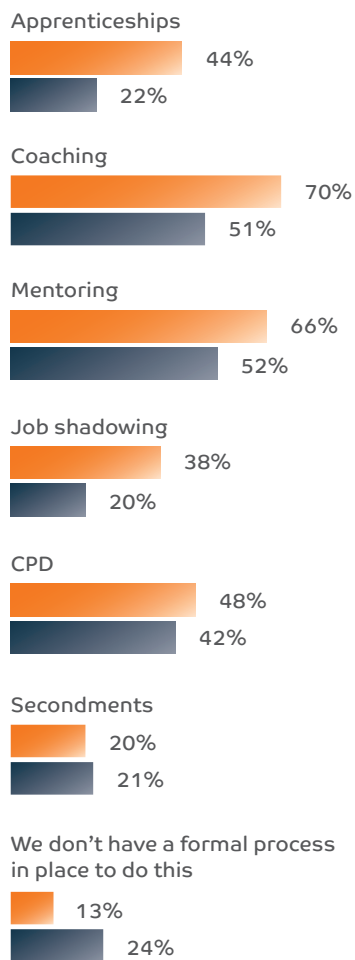


Fig. 5 How do you develop people within your organisation?

Suppliers N=71

Clients N=109

Once recruited, a variety of techniques are used to develop people, although often less structured in many organisations today, due to the economic difficulties and cut backs made in recent years.

Over half of all clients rely on both mentoring and coaching techniques, followed by CPD courses. Worryingly, nearly a quarter of all client organisations said that they did not have any formal process in place to develop talent within their organisation.

Suppliers follow the same techniques, but rely much more on apprenticeships and job shadowing than clients.

Sustainable FM



Fig. 6 To what extent do you agree with the following statement?

'In my organisation, leadership in environmental and sustainability issues is clearly demonstrated by senior managers playing a vital role in driving this message throughout the organisation.'



Suppliers N=72

Clients N=107

“Energy efficiency is at the forefront – because it is one area in which FMs can make a difference, and where action can result in real cost savings.”

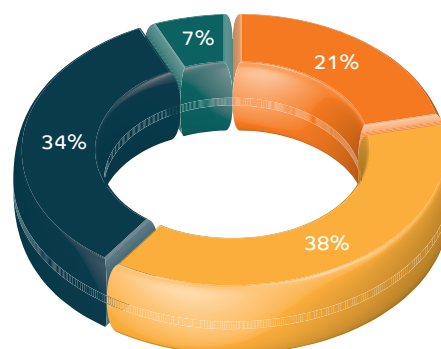
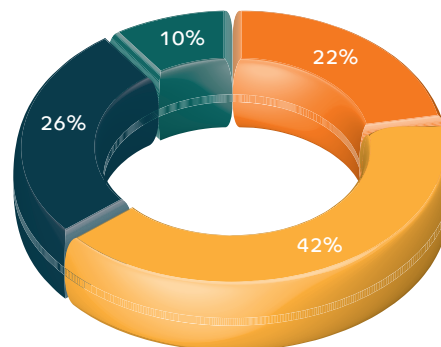
Headlines

- 47% of clients have no formal training in environmental awareness: at board level just 9% receive training; at manager level it's 25%; and at operative level 19% receive formal training in environmental awareness.
- 32% of respondents work for an organisation that has an Environmental Management System such as ISO 14001 (55% of suppliers).
- In 60% of client organisations, the premises or facilities manager is responsible for environmental management in their organisation.
- 32% of clients have an environmental remit; this has grown from 22% who had an environmental remit five years ago.

Thinking green, acting green

Investing in environmental and sustainability issues has long been a key priority for FMs – with high proportions of FM budgets put towards energy efficiency improvements. Clients we work with tell us that energy efficiency is at the forefront – because it is one area in which FMs can make a difference, and where action can result in real cost savings.

For any environmental or sustainable issue to be fully taken on board by an organisation, management buy-in and strong leadership are vital.



However, over a third of client organisations do not believe that senior managers in their organisation are clearly demonstrating leadership towards environmental and sustainability issues. Even FM suppliers, whose core business is FM, are not seeing this leadership from their senior management teams in a quarter of cases.

High performing clients felt more strongly that there was clear evidence of leadership being demonstrated on environmental and sustainability issues within their organisations, with 29% agreeing strongly with the statement and a further 48% agreeing with it.

High performing suppliers were similarly positive, with 46% agreeing strongly and 39% agreeing that senior management show leadership in driving through environmental and sustainability issues.

Measuring the benefits

Some organisations suffer from a lack of both management attention and staff engagement when it comes to implementing Environmental Management Systems.

83% of client organisations do not currently assess the attitude of their staff towards sustainability issues. When organisations do take the time to measure this, they gain a good understanding of the motivations of employees and are better able to focus their efforts behind environmental programmes aligned to these, which are ultimately more successful as they have an engaged workforce.

Just over a quarter (28%) of suppliers measure their employees' attitudes to sustainability – not a very impressive figure for an area that is one of their core deliverables. Just 17% of clients measure theirs, although amongst those considering themselves high performing, the figure rises to 32%. With the high performing suppliers, those measuring attitude is even higher, at 42%.

“Some organisations suffer from a lack of both management attention and staff engagement when it comes to implementing Environmental Management Systems.”

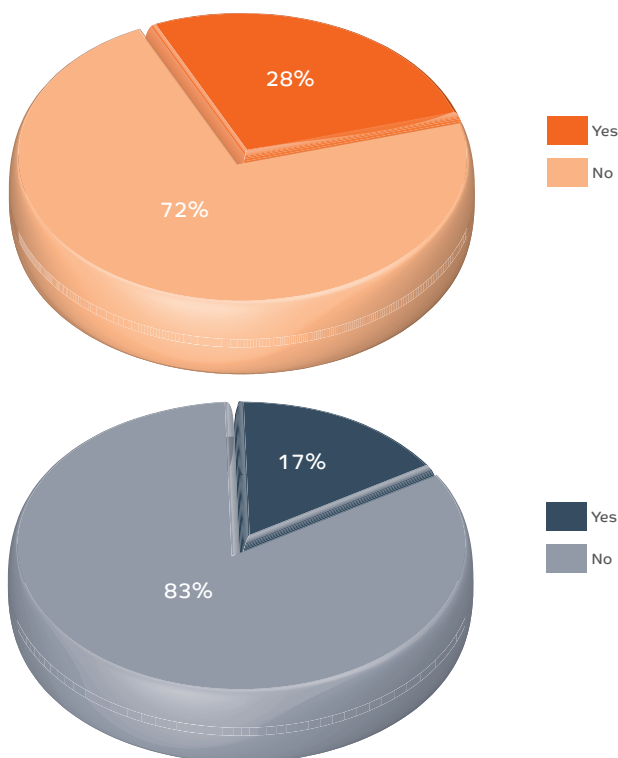


Fig. 7.1 To enable you to improve environmental performance, do you measure your employees' attitude to sustainability?

Suppliers N=69

Fig. 7.2 To enable you to improve environmental performance, do you measure your employees' attitude to sustainability?

Client N=107

Responsibility for sustainability

In 60% of client organisations, the responsibility for sustainability falls under the remit of the Premises or Facilities Director. While the HR Director or Finance Director sometimes manages it, 23% of organisations have a dedicated sustainability team.

There was a fairly even split for the suppliers, between it falling to the premises or facilities director (43%) and those with a dedicated sustainability team, at 42%, reflecting the nature of their core business.

Fig. 8.1 Who has primary responsibility for sustainability within your company?

Suppliers N=60

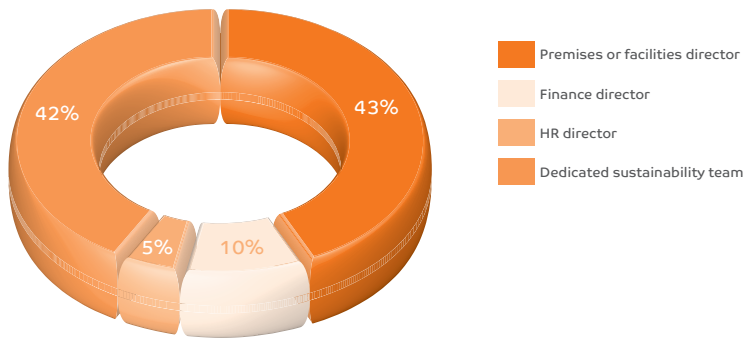
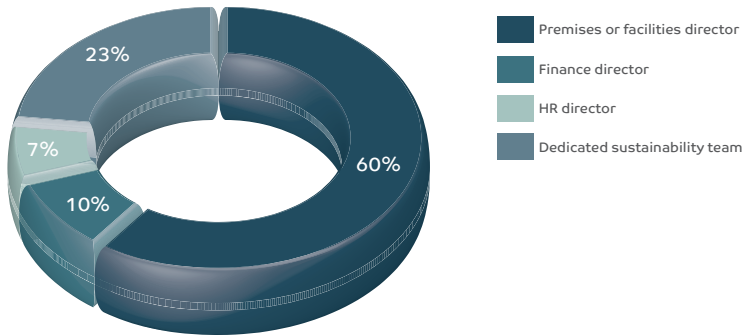


Fig. 8.2 Who has primary responsibility for sustainability within your company?

Clients N=83



To capture whether the level of focus on sustainability is increasing, respondents were asked whether it was part of their role today and whether it had been during various times in the last five years.

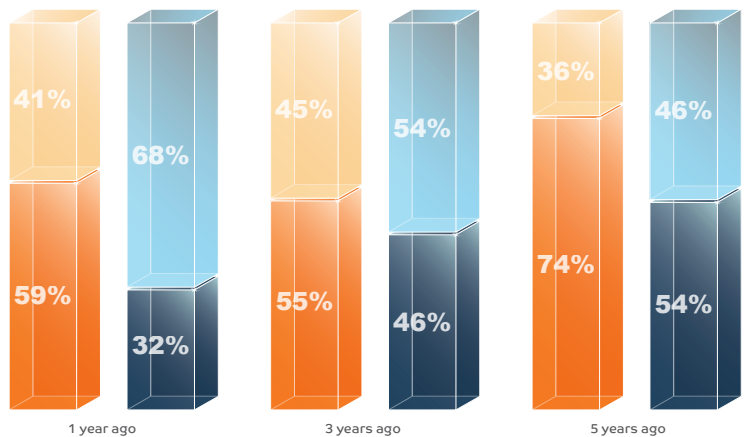
Amongst client respondents, five years ago 46% had it as a key part of their role, whereas a year ago that figure had grown to 68% – demonstrating a marked increase in a relatively short space of time.

The distinction is less marked for suppliers. Five years ago 36% of respondents saw sustainability as part of their remit; three years ago it was at 45% but the figure a year ago fell to 41%. This is perhaps a reflection of suppliers having more dedicated sustainability teams than it being a general remit.

Fig. 9 If sustainability is part of your role, was it one / three / five years ago?

Suppliers N=35

Clients N=60



Leadership in health and safety

Headlines

- 56% of client FMs believe they have a significant role to play in the safety culture of their organisation.
- 80% of FM suppliers and 50% of clients believe safety culture influences financial performance.

Making health and safety a priority

Clients and suppliers agree that senior management in their organisations have a vital role to play in creating a good health and safety culture.

Although 21% of client respondents did not feel that health and safety leadership is being clearly demonstrated by their senior management, this was only felt by 7% of suppliers, unsurprisingly as 69% rated health and safety as a clear deliverable provided by their organisation. High performing clients agreed more readily with the statement, with 85% agreeing (as compared to 79% of all respondents), that health and safety leadership is being clearly demonstrated by their senior managers.

High performing suppliers were also more positive than the full sample, with only 3% disagreeing that health and safety leadership was evident in their organisation, compared with 7% of all respondents.

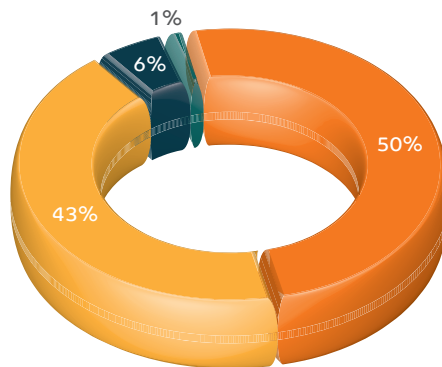


Fig. 10.1 To what extent do you agree with the following statement?

'In my organisation, health and safety leadership is clearly demonstrated by senior managers playing a vital role in creating a good health and safety culture.'



Suppliers N=70

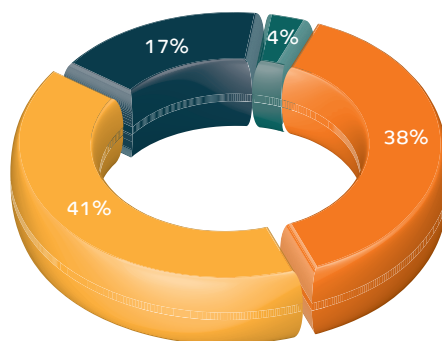


Fig. 10.2 To what extent do you agree with the following statement?

'In my organisation, health and safety leadership is clearly demonstrated by senior managers playing a vital role in creating a good health and safety culture.'



Clients N=105

Given the importance of attitudes to risk in building a culture of health and safety, and the different attitudes likely to be held by different types of people, it is slightly surprising that more organisations don't measure their employees' attitudes to risk to help them plan the best approach to educating and training their employees.

More than two-thirds of clients (73%) do not measure employee attitude to risk, while 41% of suppliers do (perhaps again because it is key to their core business). Both of these figures have changed

slightly from those reported in the 2012 survey, when more than two-thirds of clients (69%) didn't measure employee attitude to risk, but over half of suppliers did.

Figures are slightly better for the high performers, with 50% of clients and 60% of suppliers measuring employee attitudes towards risk.

Fig. 11.1 To enable you to build an effective health and safety culture, do you measure your employees' attitude to risk?

Suppliers N=69

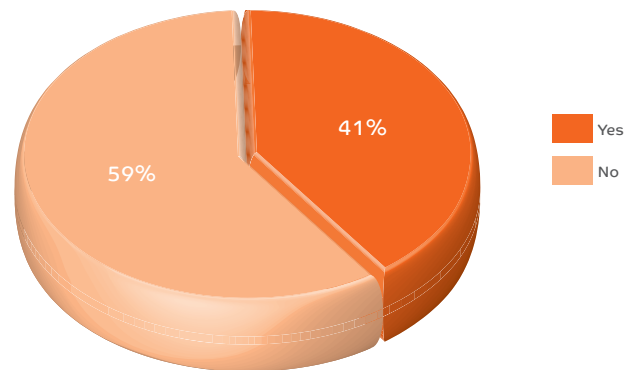
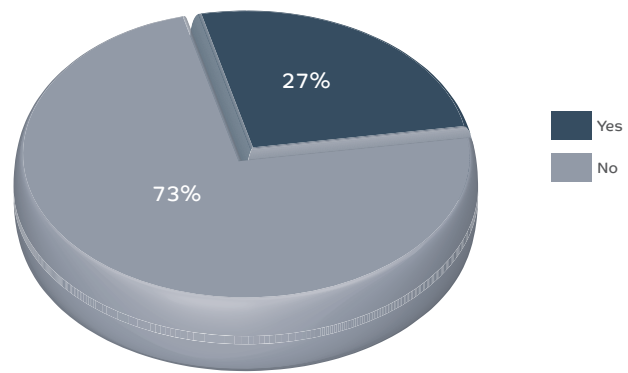


Fig. 11.2 To enable you to build an effective health and safety culture, do you measure your employees' attitude to risk?

Client N=102



“ 56% of client organisations and 70% of suppliers believe FM plays a primary role in helping maintain a safe and healthy workplace. ”

The impact of good health and safety

68% of all clients and suppliers listed health and safety as a key activity provided by FM in their organisation. When probed a little further about how much of a role good FM played in helping to maintain a healthy and safe workplace, 56% of client organisations and 70% of suppliers believe it plays a primary role.

Fig. 12.1 How much of a role does good FM play in helping maintain a healthy and safe workplace?

Suppliers N= 70

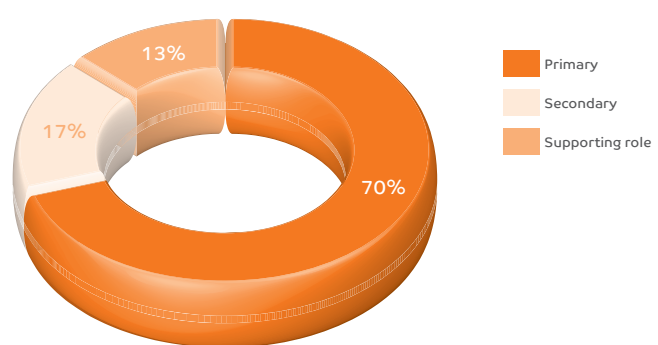
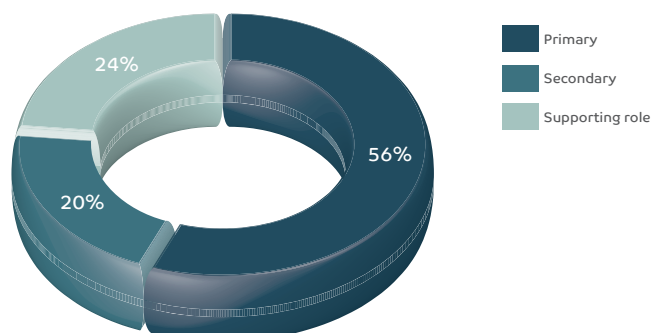


Fig. 12.2 How much of a role does good FM play in helping maintain a healthy and safe workplace?

Clients N=103



45% of client organisations agree that ‘the financial performance of my company is directly impacted by our performance in health and safety’. Over 80% of suppliers agree with the statement however, indicating that it is a key business priority and area for management focus.

However, 50% of client organisations did not agree with the statement and do not believe that health and safety measures have a direct impact on the financial performance of their company.

While the figure disagreeing with the statement drops to 40% within the high performing client base, this is still a high proportion of respondents.

Only 7% of the high performing suppliers disagreed that financial performance is directly impacted by health and safety, with a much higher 54% of organisations agreeing strongly with the statement.

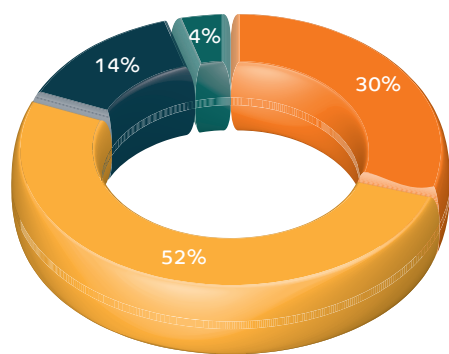


Fig. 13.1 To what extent do you agree with the following statement:

‘The financial performance of my company is directly impacted by our performance in health and safety.’

- Strongly agree
- Agree
- Disagree
- Strongly disagree

Suppliers N=70

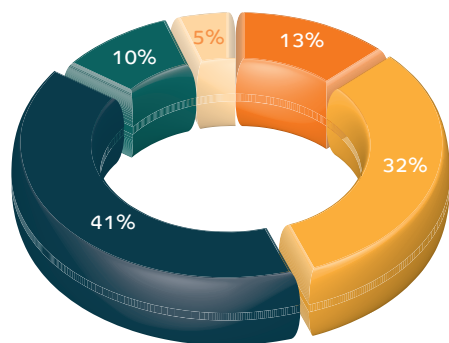


Fig. 13.2 To what extent do you agree with the following statement:

‘The financial performance of my company is directly impacted by our performance in health and safety.’

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Other

Clients N=101

About the authors



Bev Burgess

Bev's specialty is the marketing and selling of business services, built through postgraduate study and 20 years of both running and marketing service companies. As Managing Director of BurgessB2B, Bev helps clients to focus on their best opportunities for growth and take creative, competitive value propositions to market.

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Louise has over 20 years' experience in marketing business services and outsourcing. Now a marketing consultant, she has held senior roles within Fujitsu, spanning business strategy, insight and market intelligence, industry and account-based marketing, and communications.



David Sharp

David is the founder and Managing Director of Workplace Law, specialists in employment law, health and safety and environmental management.

David is an experienced commentator on the regulation of the workplace, a regular contributor to industry magazines, and Chairs the Programme Advisory Group of ThinkFM, the UK's leading annual event for facilities managers. He is also a Committee Member of the BIFM People Management Special Interest Group.

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World FM Day



On Thursday 27 June 2013, World FM Day takes place for the sixth consecutive year, as it looks to raise the profile of the facilities management profession on a global scale.

Initiated in 2008, by Global FM, the event has succeeded in assembling hundreds of individuals, companies, associations and partners to celebrate their successes and show the world the vital contributions facilities management brings to the built environment.

The principal message of 2013's World FM Day is 'creating, sharing, and learning', and it is in this spirit that this summary report of our ThinkFM research is presented, to share the highlights of the research we have collated over the past few months.



FULL REPORT COMING SOON ...

This summary report represents key findings from our research, but the full results will be published in an exclusive and extensive report, available to purchase priced at £99 from Workplace Law from July.

The full report will include extensive findings from the survey, across the areas of leadership in FM, talent management, health and safety performance, and sustainable FM.

Please call +44 (0)871 777 8881 for more details, or go to www.workplacelaw.net.

About Workplace Law

Workplace Law specialises in employment law, health and safety, and environmental management.

An established market leader in the provision of information, training, consultancy and support services, we help organisations go beyond compliance in the workplace and build a better future.

We are structured into four key practice areas: Workplace Law Health and Safety, Workplace Law Environmental, Workplace Law Human Resources, and our recruitment arm, the Workplace Law Career Network.

Workplace Law is a corporate member of the Association for Project Safety (APS) and the British Institute of Facilities Management (BIFM). We are the specialist advisor to the BIFM on employment law, health and safety, and premises management, and specialist advisors to the Facilities Management Association (FMA).

In 2013 Workplace Law again partnered the BIFM to produce ThinkFM, the UK's leading annual conference for the facilities management sector. Workplace Law Managing Director David Sharp was chair of the ThinkFM Programme Advisory Group, and is a member of the judging panel for the BIFM Awards 2013 in the Learning and Career Development category.

Our facilities management clients include:



